Bail-out package for airline companies

1573. DR. (SHRIMATI) NAZMA A. HEPTULLA: Will the Minister of CIVIL AVIATION be pleased to state:-

(a) whether Government is aware that the International Air Transport Association (IATA) predicted last month that Indian carriers would suffer a loss of $ 1.5 billion *i.e.,* almost Rs. 7,500 crore in this year to March, 2009;

(b) if so, the details of losses suffered by Air India and private airlines;

(c) whether Government proposes to bring cut some bail-out pakage for loss making airlines; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) The additional financial burden being borne by National Aviation Company of India Limited erstwhile Air India and Indian Airlines due to increase in fuel prices from April to October 2008 would be around Rs.2310 crores.

The domestic airlines are making losses due to very high fuel prices till October, 2008. Industry sources have placed the- combined losses in 2006-07 at Rs. 2000 crore and Rs. 4000 crore in 2007-08. The industry is also heading towards losses in 2008-09. Quantum of losses cannot be assesed at this time of the year.

(c) and (d) The Government has taken various steps to help the domestic aviation industry which *inter-alia* are as under:

(1) Custom duty on import of ATF has been abolished.

(2) The State Governments have been persuaded to reduce the sales tax on ATF. Government of Andhra Pradesh and in certain cases Government of Rajasthan have reduced the sales tax on ATF to 4%. Government of Maharashtra has also reduced sales tax on ATF from 25% to 4% for flights originating from airports other than Pune and Mumbai.

(3) The Oil Companies have also staggered the dues of Airline Companies, over six months. Oil Companies have extended the credit period also.

(4) With the fall in global crude prices, the Oil Companies have been reducing ATF prices since September, 2008.

Effects of economic slowdown on airports

1574. DR. M.A.M. RAMASWAMY : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the economic slowdown in the country is likely to hit the modernization of airports in the country hard;

(b) if so, the details thereof;

(c) the action plan chalked out by Government to avert such a situation;

(d) the details of airports in the country which are at present being modernized and the status of their modernization;

(e) whether developmental works at some of the airports and more particularly at domestic airports is very slow and running behind schedule; and

(f) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) and (c) Do not arise.

(d) Airports Authority of India (AAI) have undertaken Terminal Building and air side works for modernisation of 35 Non-Metro airports by March, 2010. Additional 13 Non-Metro airports are also undergoing modernization in the same time frame. Further, AAI is also undertaking modernisation of existing Metro airports at Kolkata at a cost of Rs. 1942.51 crores and Chennai at a cost of Rs. 1808 crores for completion in a time bound manner. Expansion and modernization works of Delhi & Mumbai Airports are also progressing as per schedule under PPP model.

(e) No, Sir.

(f) Does not arise.

Snag in new boeing aircrafts

1575. SHRI MAHENDRA MOHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that smoke in engine grounded an Air India Flight AI 111 bound for London in an emergency situation at Indira Gandhi International (IGI) Airport;

(b) whether another new Boeing aircraft bound for New York from Mumbai had also developed serious snag, fuel imbalance and had to be landed in emergency situation;

(c) if so, the reasons that new aircrafts are developing snags at very short span of time;

(d) whether the matter has been taken up with the Boeing authorities; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Air India Boeing 777-300 ER aircraft operating flight No. AI-111 of 11.10.2008 on Delhi-London sector returned to Delhi after take off due to smoke emanating in the aft cabin of Economy class seat during climb. The smoke ceased during descent. Overweight landing was carried out at Delhi and touch down was uneventful. On inspection, the smoke was found emanating from In-flight Entertainment Seat Electronics Box located below seat No, 50B.

(b) Another incident involving flight deviation of Boeing 777-200LR operating flight AI-140 on 21.8.2008 on John F. Kennedy International Airport to Bombay Sector was reported due to smoke emitting from Right Hand side rear cabin Seat Group 40 HJK.